

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Product Prices  
Priority Mail  
Priority Mail Contract 131

Docket No. MC2015-65

Competitive Product Prices  
Priority Mail Contract 131 (MC2015-65)  
Negotiated Service Agreement

Docket No. CP2015-96

PUBLIC REPRESENTATIVE COMMENTS ON POSTAL SERVICE REQUEST TO ADD  
PRIORITY MAIL CONTRACT 131 TO COMPETITIVE PRODUCT LIST

(July 13, 2015)

The Commission issued Order No. 2573 to receive comments on a Postal Service Request to add Priority Mail Contract 131 to the competitive product list.<sup>1 2</sup> The Postal Service's Request includes a Statement of Supporting Justification, a certification of compliance with 39 U.S.C. § 3633(a), and a copy of the Certification of Governors' Vote in the Governor's Decision No. 11-6 dated March 22, 2011. The proposed new product contract and supporting financial data were filed under seal.

The Postal Service states that Priority Mail Contract 131 is a competitive product "not of general applicability" within the meaning of 39 U.S.C. § 3632(b)(3). Request at 1. It also asserts that the prices and classification underlying the instant contract are supported by Governors' Decision No. 11-6.<sup>3</sup>

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<sup>1</sup> Request of the United States Postal Service to Add Priority Mail Contract 131 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision, Contract, and Supporting Data, July 8, 2015 (Request).

<sup>2</sup> PRC Order No. 2573, Notice and Order Concerning the Addition of Priority Mail Contract 131 to the Competitive Product List, July 9, 2015.

<sup>3</sup> Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates, March 22, 2011 (Governors' Decision No. 11-6).

The instant contract will be effective the day following the date on which the Commission issues all necessary regulatory approvals. Attachment B at 2. The contract is scheduled to expire three years from the effective date unless either party terminates the contract on 30 days' prior written notification. *Id.* at 3.

## COMMENTS

Based on the financial data filed by the Postal Service the contract appears to meet the requirements of 39 U.S.C 3633(a) during the first contract year. No financial data has been provided by the Postal Service to conclude that the contract will meet the requirements of 39 U.S.C. 3633(a) in following years. The contract terms include an adjustment of prices periodically with changes in prices of general applicability. The Postal Service must also report data relating to NSA's annually to the Commission to ensure compliance with statutory requirements. . The inclusion of these terms may aid in compliance with the requirements of 39 U.S.C. 3633(a) over the lifetime of the contract.

Based upon review of the instant contract, the Statement of Supporting Justification, and the financial data and model filed under seal, the Public Representative concludes that Priority Mail Contract 131 should be categorized as a competitive product and added to the competitive product list.

The Public Representative respectfully submits the preceding Comments for the Commission's consideration.

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